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From: "Morning Energy" <morningenergy@politico.com>
Sent: Fri 6/15/2012 1:33:01 PM
Subject: POLITICO's Morning Energy, powered by America's Natural Gas Alliance: EPA to release soot standard - Keystone still elephant in room for transpo bill - Inhofe's CRA vote set for Wednesday - National Research Council to release report on earthquakes
<http://1.usa.gov/frgtl5>
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By Alex Guillén

With help from Erica Martinson, Andrew Restuccia and Darius Dixon

EPA TO RELEASE SOOT STANDARD: EPA signed a proposed rule to set tighter soot air quality standards on Thursday, as ordered last week by a federal judge fed up with the agency's stalling. EPA will announce today that the proposed regulation sets a maximum air quality standard of 12 to 13 micrograms per cubic meter, an administration official said. That echoes EPA's April 2011 policy assessment (<http://1.usa.gov/frgtl5>) and the conclusions of the agency's science advisors. The current annual standard is 15 micrograms per cubic meter. "Virtually all counties in the United States will meet the proposed standard with no additional action needed," the official said.

EPA air chief Gina McCarthy has often argued that that EPA's Mercury and Air Toxics Standards for power plants and the Cross-State Air Pollution Rule, among others, will result in significant enough reductions of fine particulate matter, or PM2.5. But many environmentalists, including those that sued to force a tighter standard, disagree with that. "A tougher new air quality standard could drive the need for additional cleanup," Clean Air Task Force President Frank O'Donnell said earlier this week.

Many GOP lawmakers, however, disagree. Members of the House Energy and Commerce Committee pushed the EPA last week to keep the standard the same. And the American Petroleum Institute on Wednesday questioned the "cause and effect" between PM2.5 and health effects. Eleven states and several environmental groups sued EPA to force the agency to finish the rule. After a stern rebuke in the U.S. Court of Appeals for the D.C. Circuit, the agency agreed to finalize the standards by Dec. 14.

KEYSTONE STILL THE ELEPHANT IN THE ROOM: The transportation bill turmoil of the past week may

have been enough to give lobbyists indigestion, but it's the sort of brush clearing necessary before the leadership engages on the thorniest issue: Keystone. The white-hot fight over the Keystone XL pipeline has seemingly been set to simmer while transportation wonks trade paper on policy issues. But that's largely because of the feeling that the leadership won't engage on the bill's most-controversial item - Keystone - until everything else looks greased.

"The pressure on either side to work out a deal isn't there until it is the last unresolved issue," one highway lobbyist said. "At this point, no reason for anyone to give, because it is unclear whether or not any of the transportation pieces can get worked out." Kathryn A. Wolfe has the story - including why the recent FAA reauthorization may serve as a model on the pipeline provision - for Pros: <http://politico.pro/Lf7p9F>

ON ENVIRONMENTAL STREAMLINING: House Republicans plan to forge ahead on environmental streamlining provisions in the bill. Adam Snider: <http://politico.pro/NCgWI7>

HAPPY FRIDAY and welcome to Morning Energy. Forget the pizza vending machine - get a load of Burritob0t, a 3-D printer that makes Tex-Mex with customizable levels of salsa and guac: <http://on.mash.to/MQruIG> (h/t Tal Kopan). Tell ME if you want your tortilla double-sided - and share your energy news - at aguillen@politico.com. Follow: @POLITICOPro

INHOFE'S CRA VOTE SET FOR WEDNESDAY: Sen. Jim Inhofe says his Congressional Review Act vote to repeal the EPA's Mercury and Air Toxics Standards for power plants will occur this coming Wednesday. But despite the impending vote and increasing pressure from environmental groups, Inhofe's office continues to decline to provide the list of signatories that got him the CRA vote. "We're focused on getting to 50," said Inhofe spokesman Matt Dempsey.

RESEARCH COUNCIL TO RELEASE EARTHQUAKES REPORT: The National Research Council will release a report today on the role of hydraulic fracturing and other energy tech in causing earthquakes. The report "examines the scale, scope and consequences of earthquakes caused by subsurface fluid injection during energy production and identifies gaps in knowledge and research that could advance the understanding of manmade earthquakes."

BSEE PROMISES 24/7 OVERSIGHT IN ARCTIC: BSEE Director Jim Watson is promising around-the-clock surveillance by federal officials if Shell is allowed to go forward with drilling in Arctic waters. Watson said federal inspectors would be placed on two Shell drilling ships 24/7 - as opposed to the way inspections are handled via helicopter in the Gulf of Mexico. Darren Goode has more for Pros: <http://politico.pro/ML48KG>

**** A message from America's Natural Gas Alliance:** A recent IHS Global Insight study highlights the tremendous economic opportunity made available by America's unconventional natural gas supplies. Communities across the country are working with natural gas producers to train local people for these jobs. Here's how: anga.us/workforce **

STATE REGULATOR RESIGNS AFTER 'GREED' COMMENT: A Wyoming oil and gas regulator has resigned after commenting earlier this month that Pavillion, Wyo., residents who say natural gas activities have contaminated their water supply are greedy. "I really believe greed is driving a lot of this," Tom Doll, former director of the Wyoming Oil and Gas Conservation Commission, said at a state regulators meeting earlier this month. "I think they're just looking to be compensated." Doll apologized for the comments last week. The Star-Tribune has more: <http://bit.ly/KxrUiB>

CHU PLANNING ENERGY EFFICIENCY ECONOMICS PAPER: Energy Secretary Steven Chu will soon release an economics paper (the Nobel laureate's first) "that could upend modern ideas on how energy efficiency works," Greenwire reports. "For decades, the government has placed minimum energy standards on household appliances like fridges, once a notorious power hog. The expectation has been that, while purchase prices might temporarily bump up, electricity savings would balance that expense down the road. ...The thing is, historical data don't show it to be true. There is no bump, [Chu] said." <http://bit.ly/MSLmEU>

JACKSON TALKS SUSTAINABILITY: EPA chief Lisa Jackson sat down with the Information Technology Industry Council to discuss sustainability and messaging ahead of her visit to Brazil for the U.N.'s Rio+20 sustainability conference. "I think that what we're going to see at Rio is going to be a real emphasis of how to put in the hands of citizens everywhere information they need to ensure that their world is sustainable, that their air quality is getting better, that their economy is growing, that there's the pillars of social inclusion and justice that are so important to the development of a thriving society, if you will." Watch the video: <http://youtu.be/05ISFpUoaKw>

FERC, NRC MEET ON GRID RELIABILITY: FERC and the NRC are holding a powwow together today to discuss grid reliability. The two-hour agenda includes a hit list of big-ticket items, including each agency's progress on cybersecurity activities. NRC staff also plan to discuss the agency's post-Fukushima-related work and an overview of Southern Co.'s Vogtle plant expansion,

according to presentation slides (<http://1.usa.gov/Lpz17A>). Staff from both commissions, along with the North American Electric Reliability Corp., will also brief agency leaders on geomagnetic threats to the electric grid. The meeting begins at 9:30 a.m. at FERC headquarters. 888 First St. NE. Live webcast: <http://1.usa.gov/KKN2vb>

ARNO HARRIS TAKES OVER SEIA BOARD: Arno Harris, the CEO of Recurrent Energy, has been elected chairman of SEIA's Board of Directors Executive Committee. Patricia Nugent, the director of policy and business development for Dow Solar, was elected vice chairwoman.

ADMINISTRATION SIDES WITH OIL COMPANIES IN HUMAN RIGHTS CASE: SCOTUSBlog reports on the Justice Department's brief in *Kiobel v. Royal Dutch Petroleum*: "The Obama administration urged the Supreme Court on Thursday to close the U.S. courts to most lawsuits involving claims that a foreign corporation helped a foreign government engage in human rights abuses in that country. While arguing that the door to American courts should be left somewhat ajar to allow some abuse claims, the options that would remain would appear to be quite narrow, with a variety of legal hurdles to overcome." More: <http://bit.ly/LC67nM>

LAWMAKERS MOVE TO SET UP MANHATTAN PROJECT NATIONAL PARK: Sens. Lamar Alexander (R-Tenn.), Tom Udall (D-N.M.), Maria Cantwell (D-Wash.) and Patty Murray (D-Wash.) have introduced a bill creating the Manhattan Project National Historical Park, and Rep. Doc Hastings (R-Wash.) plans to introduce a House version next week. The park will consist of three sites of the Manhattan Project, the government program that developed the atomic bomb during World War II, in Los Alamos, N.M.; Oak Ridge, Tenn.; and Hanford, Wash. Read the bill setting up the park: <http://bit.ly/M2KigK>

OPINION: Rep. Peter Roskam (R-Ill.), the House GOP's chief deputy whip, holds up Solyndra as an example of President Obama's economic policy. "You can call Obama's vision 'Solyndranomics.' It's basically about using taxpayer dollars for broad government intervention in the economy, often to support your donor's speculative adventures." <http://politi.co/M9mhk8>

OBAMA GAVE A NEARLY HOURLONG SPEECH on the economy yesterday, but he stuck to his usual talking points when it comes to energy, calling for the elimination of tax breaks for the biggest oil companies, urging Congress to pass a Clean Energy Standard and underscoring the need to invest in research and development.

QUICK HITS

- OPEC has decided not to up its production limit despite the economy and lowering oil prices. New York Times: <http://nyti.ms/LpKbZP>

- ConocoPhillips has resumed shipping liquefied natural gas from Alaska to Japan. Platts: <http://bit.ly/KFgkx8>

- Louisiana Gov. Bobby Jindal has signed a bill redirecting money from the BP oil spill to coastal restoration. Times-Picayune: <http://bit.ly/OMQlq1>

- The full Senate Appropriations Committee has passed a 50 percent bump for the Commodity Futures Trading Commission's budget. Reuters: <http://reut.rs/LI0vXU>

- A federal jury quickly decided yesterday that Kevin Costner did not bilk Stephen Baldwin in a deal over BP oil spill contracting. Wall Street Journal: <http://on.wsj.com/MaaGS5>

THAT'S ALL FOR ME. Happy Father's Day to all the dads out there.

**** A message from America's Natural Gas Alliance:** Thanks to natural gas, we don't have to choose between advancing our economy, our environment and our greater energy self-reliance for our nation. This year, the average U.S. household will see a nearly \$1,000 increase in disposable income thanks to America's vast supplies of affordable natural gas. This abundance also is making U.S. companies and American workers more competitive - creating more than 1 million U.S. manufacturing jobs by 2025. With continuous advances in drilling technology and strong state-led oversight, safe and responsible development is taking place every day across our country. That's why America's natural gas is smarter power today. Follow us on Twitter @angaus **

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